

107TH CONGRESS  
2D SESSION

# H. R. 4685

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## AN ACT

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To amend title 31, United States Code, to expand the types of Federal agencies that are required to prepare audited financial statements.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Accountability of Tax  
3 Dollars Act of 2002”.

4 **SEC. 2. AMENDMENTS RELATING TO AUDITING REQUIRE-**  
5 **MENT FOR FEDERAL AGENCY FINANCIAL**  
6 **STATEMENTS.**

7       (a) IN GENERAL.—Section 3515 of title 31, United  
8 States Code, is amended—

9           (1) in subsection (a)—

10               (A) by striking “Not later” and inserting  
11               “(1) Except as provided in subsection (e), not  
12               later”;

13               (B) by striking “each executive agency  
14               identified in section 901(b) of this title” and in-  
15               serting “each covered executive agency”; and

16               (C) by striking “1997” and inserting  
17               “2003”;

18           (2) in subsection (b) by striking “an executive  
19           agency” and inserting “a covered executive agency”;

20           (3) in subsection (c) and (d) by striking “execu-  
21           tive agencies” each place it appears and inserting  
22           “covered executive agencies”; and

23           (4) by adding at the end the following:

24           “(e)(1) The Director of the Office of Management  
25           and Budget may exempt a covered executive agency, ex-

cept an agency described in section 901(b), from the requirements of this section with respect to a fiscal year if—

“(A) the total amount of budget authority available to the agency for the fiscal year does not exceed \$25,000,000; and

“(B) the Director determines that requiring an annual audited financial statement for the agency with respect to the fiscal year is not warranted due to the absence of risks associated with the agency’s operations, the agency’s demonstrated performance, or other factors that the Director considers relevant.

“(2) The Director shall annually notify the Committee on Government Reform of the House of Representatives and the Committee on Governmental Affairs of the Senate of each agency the Director has exempted under this subsection and the reasons for each exemption.

“(f) The term ‘covered executive agency’—

“(1) means an executive agency that is not required by another provision of Federal law to prepare and submit to the Congress and the Director of the Office of Management and Budget an audited financial statement for each fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency; and

1           “(2) does not include a corporation, agency, or  
2           instrumentality subject to chapter 91 of this title.”.

3           (b) WAIVER AUTHORITY.—

4           (1) IN GENERAL.—The Director of the Office of  
5           Management and Budget may waive the application  
6           of all or part of section 3515(a) of title 31, United  
7           States Code, as amended by this section, for finan-  
8           cial statements required for the first 2 fiscal years  
9           beginning after the date of the enactment of this Act  
10          for an agency described in paragraph (2) of this  
11          subsection.

12          (2) AGENCIES DESCRIBED.—An agency referred  
13          to in paragraph (1) is any covered executive agency  
14          (as that term is defined by section 3515(f) of title  
15          31, United States Code, as amended by subsection  
16          (a) of this section) that is not an executive agency  
17          identified in section 901(b) of title 31, United States  
18          Code.

        Passed the House of Representatives October 7,  
2002.

Attest:

*Clerk.*